



**WILMINGTON PUBLIC LIBRARY
CLINTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001-2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**WILMINGTON PUBLIC LIBRARY
CLINTON COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Wilmington Public Library
Clinton County
268 N. South Street
Wilmington, Ohio 45177

To the Board of Trustees:

We have audited the accompanying financial statements of the Wilmington Public Library, Clinton County, Ohio (the Library), as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Library prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Library as of December 31, 2001 and 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2002 on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 12, 2002

**WILMINGTON PUBLIC LIBRARY
CLINTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts:				
Other Government Grants-In-Aid	\$764,842	0	0	764,842
Patron Fines and Fees	17,373	0	0	17,373
Earnings on Investments	25,853	0	23,038	48,891
Contributions, Gifts and Donations	9,481	0	18,358	27,839
Miscellaneous Receipts	3,907	0	0	3,907
 Total Cash Receipts	 821,456	 0	 41,396	 862,852
Cash Disbursements:				
Current:				
Salaries and Benefits	369,942	0	0	369,942
Purchased and Contracted Services	98,423	0	0	98,423
Other Objects	168,643	0	0	168,643
Capital Outlay	73,301	0	14,752	88,053
 Total Cash Disbursements	 710,309	 0	 14,752	 725,061
 Total Cash Receipts Over/(Under) Cash Disbursements	 111,147	 0	 26,644	 137,791
Other Financing Receipts/(Disbursements):				
Transfers-In	0	0	79,395	79,395
Transfers-Out	(81,642)	0	0	(81,642)
 Total Other Financing Receipts/(Disbursements)	 (81,642)	 0	 79,395	 (2,247)
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 29,505	 0	 106,039	 135,544
 Fund Cash Balances, January 1	 395,231	 100,000	 657,141	 1,152,372
 Fund Cash Balances, December 31	 \$424,736	 \$100,000	 \$763,180	 \$1,287,916
 Reserves for Encumbrances, December 31	 \$49,196	 \$0	 \$0	 \$49,196

The notes to the financial statements are an integral part of this statement.

WILMINGTON PUBLIC LIBRARY
CLINTON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Fiduciary Fund Types		Totals (Memorandum Only)
	Nonexpendable Trust	Agency	
Operating Cash Receipts:			
Total Operating Cash Receipts	0	0	0
Operating Cash Disbursements:			
Current:			
Purchased and Contracted Services	0	350	350
Other Objects	0	28	28
Total Operating Cash Disbursements	0	378	378
Operating Income/(Loss)	0	(378)	(378)
Non-Operating Cash Receipts:			
Earnings on Investments	0	617	617
Total Non-Operating Cash Receipts	0	617	617
Non-Operating Cash Disbursements:			
Total Non-Operating Cash Disbursements	0	0	0
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	0	239	239
Transfers-In	0	2,247	2,247
Net Receipts Over/(Under) Disbursements	0	2,486	2,486
Fund Cash Balances, January 1	6,711	14,966	21,677
Fund Cash Balances, December 31	<u>6,711</u>	<u>17,452</u>	<u>24,163</u>

The notes to the financial statements are an integral part of this statement.

**WILMINGTON PUBLIC LIBRARY
CLINTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts:				
Other Government Grants-In-Aid	\$747,125	\$0	\$0	747,125
Patron Fines and Fees	15,026	0	0	15,026
Earnings on Investments	47,083	0	16,405	63,488
Contributions, Gifts and Donations	7,058	0	0	7,058
Miscellaneous Receipts	1,847	0	0	1,847
 Total Cash Receipts	 818,139	 0	 16,405	 834,544
Cash Disbursements:				
Current:				
Salaries and Benefits	335,015	0	0	335,015
Purchased and Contracted Services	76,818	0	0	76,818
Other Objects	134,834	0	0	134,834
Capital Outlay	50,838	0	90,240	141,078
 Total Cash Disbursements	 597,505	 0	 90,240	 687,745
 Total Cash Receipts Over/(Under) Cash Disbursements	 220,634	 0	 (73,835)	 146,799
Other Financing Receipts/(Disbursements):				
Transfers-In	0	0	400,000	400,000
Transfers-Out	(400,000)	0	0	(400,000)
 Total Other Financing Receipts/(Disbursements)	 (400,000)	 0	 400,000	 0
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 (179,366)	 0	 326,165	 146,799
 Fund Cash Balances, January 1	 574,597	 100,000	 330,976	 1,005,573
 Fund Cash Balances, December 31	 \$395,231	 \$100,000	 \$657,141	 \$1,152,372
 Reserves for Encumbrances, December 31	 \$104,022	 \$0	 \$0	 \$104,022

The notes to the financial statements are an integral part of this statement.

WILMINGTON PUBLIC LIBRARY
CLINTON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Fiduciary Fund Types		Totals (Memorandum Only)
	Nonexpendable Trust	Agency	
Operating Cash Receipts:			
Total Operating Cash Receipts	0	0	0
Operating Cash Disbursements:			
Current:			
Purchased and Contracted Services	0	100	100
Total Operating Cash Disbursements	0	100	100
Operating Income/(Loss)	0	(100)	(100)
Non-Operating Cash Receipts:			
Earnings on Investments	0	905	905
Total Non-Operating Cash Receipts	0	905	905
Non-Operating Cash Disbursements:			
Other Non-Operating Disbursements	0	0	0
Total Non-Operating Cash Disbursements	0	0	0
Net Receipts Over/(Under) Disbursements	0	805	805
Fund Cash Balances, January 1	6,711	14,161	20,872
Fund Cash Balances, December 31	<u>6,711</u>	<u>14,966</u>	<u>21,677</u>

The notes to the financial statements are an integral part of this statement.

**WILMINGTON PUBLIC LIBRARY
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Wilmington Public Library, Clinton County, Ohio (the Library), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of Ohio. The Library is directed by a seven-member Board of Trustees appointed by the Clinton County Board of County Commissioners and the Common Pleas Court Judge. The Library provides the community with various educational and literary resources.

The Library's management believes these financial statements present all activities for which the Library is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Investments are included in fund cash balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit are valued at cost. Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund. Investments acquired through overnight repurchase agreements are carried at cost.

D. Fund Accounting

The Library uses fund accounting to segregate cash and investments that are restricted as to use. The Library classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Library had the following significant Special Revenue Fund:

**WILMINGTON PUBLIC LIBRARY
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Technology Fund

Established for acquisition and maintenance of equipment, software, and services relating to automation and patron information services.

3. Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Library had the following significant capital projects funds:

Building Repair Fund

Established to be used for library remodeling and construction.

Land Acquisition and Improvement Fund

Established to future library projects.

Gates Grant Fund

Established for purchase of computer equipment in accordance with Gates Grant monies received.

4. Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Library to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Funds for which the Library is acting in an agency capacity are classified as agency funds. The Library had the following significant fiduciary funds:

Regional Library Account

Used to account for funds held by the Library for the SWORL Group, an organization made up of local libraries that participated in interlibrary loan services.

E. Budgetary Process

The Ohio Administrative Code requires budgeting for each fund annually.

1. Appropriations

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures (that is, disbursements and encumbrances may not exceed appropriations at the fund, function, and object level of control.

**WILMINGTON PUBLIC LIBRARY
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

3. Encumbrances

The Ohio Administrative Code requires the Library to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated in the subsequent year.

Effective January 1, 2001, the Ohio Administrative Code amended library budgetary requirements. Libraries are not required to estimate resources or encumber appropriations.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the Library uses.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Library maintains a cash and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

	2001	2000
Demand deposits	\$92,099	\$10,105
Certificates of deposit	5,500	5,500
Petty Cash	96	96
Total deposits	97,695	15,701
Repurchase agreement	519,000	871,000
STAR Ohio	695,384	287,348
Total investments	1,214,384	1,158,348
Total deposits and investments	\$1,312,079	\$1,174,049

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

**WILMINGTON PUBLIC LIBRARY
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form. The Library's agent holds securities collateralizing repurchase agreements. The securities are not in the Library's name.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$847,556	\$821,456	(\$26,100)
Capital Projects	34,838	120,791	85,953
Fiduciary	3,169	2,864	(305)
Total	\$885,563	\$945,111	\$59,548

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,104,285	\$841,147	\$263,138
Capital Projects	18,358	14,752	3,606
Fiduciary	700	378	322
Total	\$1,123,343	\$856,277	\$267,066

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$708,015	\$818,139	\$110,124
Capital Projects	206,500	416,405	209,905
Fiduciary	600	905	305
Total	\$915,115	\$1,235,449	\$320,334

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,082,667	\$1,101,527	(\$18,860)
Capital Projects	90,240	90,240	0
Fiduciary	700	100	600
Total	\$1,173,607	\$1,191,867	(\$18,260)

**WILMINGTON PUBLIC LIBRARY
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

4. GRANTS-IN-AID AND TAX RECEIPTS

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF). The LLGSF is allocated to each county based on the county's prior intangibles tax of LLGSF revenues, and its population. The County Budget Commission allocates these funds to the Library based on its needs such as for the construction of new library buildings, improvements, operation, maintenance, or other expenses. The Budget Commission cannot reduce its allocation of these funds to the Library based on of any additional revenues the Library receives.

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the taxing authority of the subdivision to whose jurisdiction the Library is subject. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Other Governments Grants In Aid. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the taxing district.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Library.

5. RETIREMENT SYSTEM

The Public Employees Retirement System of Ohio (PERS) is a state operated, cost-sharing, multiple employer public employee retirement system. PERS provides retirement benefits to vested employees who are eligible to retire based upon years of service. PERS also provides survivor and disability benefits to vested employees.

Contribution rates are prescribed by the Ohio Revised Code. The Library's PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Library has paid all contributions required through December 31, 2001.

6. RISK MANAGEMENT

Commercial Insurance

The Wilmington Public Library, Clinton County, Ohio (the Library), has obtained commercial insurance for the following risks:

- Comprehensive property and general liability; and
- Errors and omissions.

Health Insurance

The Library provides health insurance to full-time employees through a private carrier.

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Wilmington Public Library
Clinton County
268 N. South Street
Wilmington, Ohio 45177

To the Board of Trustees:

We have audited the accompanying financial statements of the Wilmington Public Library, Clinton County, Ohio (the Library), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 12, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Library in a separate letter dated April 12, 2002.

Wilmington Public Library
Clinton County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of the audit committee, management and Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 12, 2002

**WILMINGTON PUBLIC LIBRARY
CLINTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-00414-001	Noncompliance, ORC 149.351 - Destruction of Records; canceled checks could not be located	Yes	
1999-00414-002	Reportable Condition, Not properly encumbering	Partially Corrected	Purchase orders were used, but a few instances of certification after invoice date. We reported this issue in the management letter.
1999-00414-003	Reportable Condition, Time sheets could not be located for all employees.	Yes	



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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WILMINGTON PUBLIC LIBRARY

CLINTON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 14, 2002**